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Dec. 1, 2002

MONTANA STATE LIBRARY



BEFORE THE BOARD OF MILK CONTROL
OF THE STATE OF MONTANA
ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES

DEC 04 2002

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Milk Control Bureau
1225 8th Ave.
PO Box 202003
Helena MT 59620-2003
Phone: (406) 444-2875
Fax: (406) 444-1432



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EFFECTIVE:

December 1, 2002
January 1, 2003
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PRODUCER CLASS I PRICE IN MONTANA

REF: ARM 32.24.301(5)

CLASS I PRICE FOR MILK TESTING 3.5%

\$13.07 /CWT

CLASS I BUTTERFAT PRICE PER POUND

\$1.10 /LB

EFFECTIVE January 1, 2003:

The minimum price to pay milk producers, under ARM 32.24.301, is \$13.07 per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of 11.0 cents for each one-tenth of one percent butterfat above or below the midpoint of each producer payment. The value of one pound of butterfat utilized will be \$1.10.

PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 32.24.301(6)

CLASS II PRICE FOR MILK TESTING 3.5%

\$11.24 /CWT

Average spray process dry milk solids

price per pound = \$0.97750
Multiplied by 8.2 x 8.2

\$8.01550

\$8.01550

Last quote of the month for Grade AA butter

minus a differential of \$.0895 = \$1.01550
Multiplied by 4.2 x 4.2

\$4.26510

+ \$4.26510

LESS a make allowance of 8.5% (\$12.2806 X .085)

\$12.28060

- \$1.04385

Rounded to the nearest whole cent = \$11.24 /hundredweight.

\$11.23675

CLASS II BUTTERFAT PRICE PER POUND**\$1.13 /LB**

Last quote of the month for Grade AA butter				
minus a differential of \$.0895	=	\$1.01550	X .111)	=
Rounded to the nearest half cent				=
				\$0.11272
				\$0.113

Butterfat value per pound		
for milk at 3.5% test:	\$1.13	

Hundredweight price of milk testing 3.5%		=	\$11.24
LESS 3.5 pounds of butterfat at	\$1.13	per pound	-
Value of 96.5 pounds of skim		=	\$7.285

CLASS II VALUE OF**ONE POUND OF SKIM**

7.285 / 96.5 pounds)	=	\$0.07549 /LB
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PRODUCER CLASS III PRICE IN MONTANA

REF: ARM 32.24.301(7)

CLASS III PRICE PER CWT FOR MILK TESTING 3.5%**\$9.61 /CWT**

3.5 pounds of butterfat	\$0.91	per pound =	\$3.185
96.5 pounds of skim	\$0.06653	per pound =	\$6.420
			\$9.605 /CWT

CLASS III BUTTERFAT PRICE PER POUND**\$0.91 /LB**

Last quote of the month for Grade AA butter		
minus a difference of \$.0895	=	\$1.01550
LESS 10%	-	\$0.10155
		\$0.91395

Rounded to the nearest whole cent	=	\$0.91 per pound.
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CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED**\$6.65287 /CWT**

Avg. spray process dry milk solid price/lb :	\$0.97750
Multiplied by 8.2	8.2
	\$8.01550
LESS 17%	\$1.36264
	\$6.65287

Rounded to the nearest whole cent	\$6.65	per hundredweight.
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BY ORDER OF THE MONTANA MILK CONTROL BUREAU

Compiled by:

Monte Nick
 Monte Nick, Bureau Chief
 Montana Milk Control Bureau

BREAKDOWN BY TEST FOR CLASS I, II & III SKIM PRICES

CLASS I SKIM PRICE BASED ON \$13.07 FOR 3.5% MILK 96.5 LBS = \$9.220		CLASS II SKIM PRICE BASED ON \$11.24 FOR 3.5% MILK 96.5 LBS = \$7.285		CLASS III SKIM PRICE BASED ON \$9.61 FOR 3.5% MILK 96.5 LBS = \$6.420	
TEST	PRICE/LB	TEST	PRICE/LB	TEST	PRICE/LB
2.50	\$0.09456	2.50	\$0.07472	2.50	\$0.06585
2.55	\$0.09461	2.55	\$0.07476	2.55	\$0.06588
2.60	\$0.09466	2.60	\$0.07479	2.60	\$0.06591
2.65	\$0.09471	2.65	\$0.07483	2.65	\$0.06595
2.70	\$0.09476	2.70	\$0.07487	2.70	\$0.06598
2.75	\$0.09481	2.75	\$0.07491	2.75	\$0.06602
2.80	\$0.09486	2.80	\$0.07495	2.80	\$0.06605
2.85	\$0.09490	2.85	\$0.07499	2.85	\$0.06608
2.90	\$0.09495	2.90	\$0.07503	2.90	\$0.06612
2.95	\$0.09500	2.95	\$0.07506	2.95	\$0.06615
3.00	\$0.09505	3.00	\$0.07510	3.00	\$0.06619
3.05	\$0.09510	3.05	\$0.07514	3.05	\$0.06622
3.10	\$0.09515	3.10	\$0.07518	3.10	\$0.06625
3.15	\$0.09520	3.15	\$0.07522	3.15	\$0.06629
3.20	\$0.09525	3.20	\$0.07526	3.20	\$0.06632
3.25	\$0.09530	3.25	\$0.07530	3.25	\$0.06636
3.30	\$0.09535	3.30	\$0.07534	3.30	\$0.06639
3.35	\$0.09540	3.35	\$0.07538	3.35	\$0.06643
3.40	\$0.09545	3.40	\$0.07541	3.40	\$0.06646
3.45	\$0.09549	3.45	\$0.07545	3.45	\$0.06649
3.50	\$0.09554	3.50	\$0.07549	3.50	\$0.06653
3.55	\$0.09559	3.55	\$0.07553	3.55	\$0.06656
3.60	\$0.09564	3.60	\$0.07557	3.60	\$0.06660
3.65	\$0.09569	3.65	\$0.07561	3.65	\$0.06663
3.70	\$0.09574	3.70	\$0.07565	3.70	\$0.06667
3.75	\$0.09579	3.75	\$0.07569	3.75	\$0.06670
3.80	\$0.09584	3.80	\$0.07573	3.80	\$0.06674
3.85	\$0.09589	3.85	\$0.07577	3.85	\$0.06677
3.90	\$0.09594	3.90	\$0.07581	3.90	\$0.06681
3.95	\$0.09599	3.95	\$0.07585	3.95	\$0.06684
4.00	\$0.09604	4.00	\$0.07589	4.00	\$0.06688
4.05	\$0.09609	4.05	\$0.07592	4.05	\$0.06691
4.10	\$0.09614	4.10	\$0.07596	4.10	\$0.06694
4.15	\$0.09619	4.15	\$0.07600	4.15	\$0.06698
4.20	\$0.09624	4.20	\$0.07604	4.20	\$0.06701
4.25	\$0.09629	4.25	\$0.07608	4.25	\$0.06705
4.30	\$0.09634	4.30	\$0.07612	4.30	\$0.06708
4.35	\$0.09639	4.35	\$0.07616	4.35	\$0.06712
4.40	\$0.09644	4.40	\$0.07620	4.40	\$0.06715
4.45	\$0.09649	4.45	\$0.07624	4.45	\$0.06719
4.50	\$0.09654	4.50	\$0.07628	4.50	\$0.06723

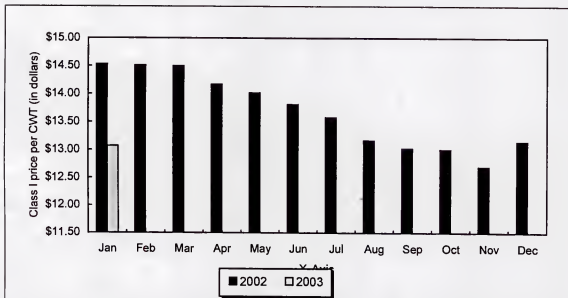
PRODUCER CLASS I PRICE IN MONTANA

Charts below show a class I price comparison for 2002 and 2003

Statistics from the Montana Milk Control Bureau

Month	2002	2003	Difference	% Change
January	\$14.53	\$13.07	(\$1.46)	-10.05%
February	\$14.51			
March	\$14.50			
April	\$14.17			
May	\$14.02			
June	\$13.81			
July	\$13.58			
August	\$13.17			
September	\$13.03			
October	\$13.01			
November	\$12.70			
December	\$13.15			
Average	\$13.68	\$13.07	(\$1.46)	-10.05%

Prices are per hundredweight (CWT).

**Completion of pooling (prior to audit) shows the producer quota blend prices to be:**

OCTOBER 2002: class I = \$8.15; class II = \$1.08; Class III = \$2.44; total = \$11.67

(calculations based upon utilization percentages of butterfat & skim)